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Economic Intelligence Weekly

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ER EIW 75-33

20 August 1975

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ECONOMIC INTELLIGENCE WEEKLY

20 August 1975

Overview

Unemployment Gradually Is Supplanting Inflation and Payments Deficits as the Principal Concern of Economic Policymakers in the Major Foreign Developed Countries. So far, anxiety over spreading joblessness has not been translated into vigorous policy action. Most countries continue to grope for an economic strategy that will be effective in combating the recession without jeopardizing gains in controlling inflation and trade balances.

Of the six major foreign industrialized countries, only Italy has thrown caution to the wind and embarked on a vigorous program of fiscal reflation. [redacted] 25X6

25X6

Most major foreign countries have relaxed monetary policy since early in the year. [redacted]

25X6

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Note: Comments and queries regarding the *Economic Intelligence Weekly* are welcomed. They may be directed to [redacted] the Office of Economic Research, Code 143, Extension 7555.

25X1A

Although the trade surplus of the Big Six more than doubled from $5.3 billion in second half 1974 to $12 billion in first half 1975, these figures mask large

25X6 deficits [redacted] Policymakers in France [redacted] 25X6

25X6 [redacted] are worried about losing their surpluses. As economic recovery takes hold, imports of raw materials and fuels will pick up -- in some cases outstripping export gains. In addition, the $1.50 oil price increase expected in October would alone subtract about $7.5 billion annually from the Big Six surplus.

If policymakers continue to waffle in the hope that one country will lead the way out of the recession, recovery will be a long, drawn-out process. Simultaneous expansion among the larger economies would, in contrast, have important spillover effects on growth in the OECD area. The psychological effects of a coordinated approach would give a still stronger boost to growth.

The Latest French Plan for World Monetary Reform Again Calls for an Early Return to Fixed Exchange Rates. At an EC monetary committee meeting last week, Paris advocated a phased return to fixed rates over two to three years. The plan would envision the establishment of currency blocs similar to the EC snake group. Within each bloc, members would be obligated to maintain fixed parities. Rates among blocs would at first fluctuate, then eventually be fixed. France's hard line will encourage some EC members to limit discussions on exchange rate issues at the September IMF meeting and to concentrate on reaching agreement on the quota revisions and the role of gold. This approach will probably be discussed when EC finance ministers meet in Venice on 24 August; Paris is likely to be opposed to a bobtailed agenda.

Libya and Indonesia Have Overcome Balance-of-Payments Difficulties they were experiencing earlier this year. Tripoli's export earnings have turned up since June, when Libyan oil prices were brought into line with those of other exporters. Indonesia is also doing better because of higher oil sales. Iran, although talking about payments problems, will continue to run huge surpluses this year and next. (Confidential)

Articles

DEVELOPED COUNTRIES: INTERDEPENDENCE AND ECONOMIC GROWTH

If fears of renewed inflation or payments problems cause the industrial nations to rely on the United States or any other single country for export-led growth, recovery will be long and slow. Except in the case of Canada, the exports of the Big Seven are too dispersed and their share in final demand too small for economic prosperity to hinge on reflation by one trading partner.

Induced Growth*

25X6 [redacted]

The induced impact of growth in any other major country is at most one-fifth of the initial rise in GNP in the "lead" country.

France: West Germany, the United States, and the United Kingdom induce the most growth, in all cases less than 0.2% for each 1% increase in their own GNP.

West Germany: France, the United States, and the United Kingdom each induce about 0.17% in GNP growth.

25X1B [redacted]

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25X6

[redacted]

25X6

[redacted]

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[redacted]

United States: Because of its small foreign sector, the United States is barely affected by isolated changes in foreign GNP.

The spillover effects of GNP growth in the Big Seven are much more important in the 17 smaller OECD countries, particularly those in closely integrated Western Europe. Expansion in West Germany and Britain has the most marked impact. A 1% increase in the GNP of either of these nations induces an ***average*** rise of more than one-fifth of a percent in the output of the smaller countries, in a few cases the impact is as large as one-half a percent. Because of their dependence on foreign trade, the Benelux countries are the most sensitive to developments in the Big Seven.

Coordinated Recovery

Simultaneous expansion among the larger economies would have important spillover effects on growth in the OECD area. We estimate that a 1% increase in the combined national output of the three major countries with strong payments positions – West Germany, Japan, and the United States – would induce as much as one-third of a percent growth in the OECD as a whole. The impact would average 0.8% for the Small Seventeen; 0.4% for the six major foreign countries; and 0.1% for the United States. The psychological effects of a coordinated approach, which cannot be quantified, would supply an additional boost to growth.

Regional Groupings

Our analysis of the 24 economies shows that spillover effects from growth are much stronger within Western Europe than within the North America-Pacific area or between these two regions.

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	Initial 1% Rise in GNP in	
	Western Europe	North America-Pacific
Average spillover in:		
Western Europe	0.73%	0.19%
North America-Pacific	0.15	0.11
All OECD	0.44	0.15

Implications

Our analysis suggests that continued European reliance on the United States or on West Germany to lead economic recovery would result in a lackluster revival. The impact on growth in the OECD from expansion in these countries is small (about one-tenth of a percent for each 1% increase in either German or US output). Moreover, a high proportion of the impact of an acceleration in US growth is through slow-acting secondary and tertiary effects. Simultaneous expansion among the larger countries, on the other hand, would substantially boost output, especially in Western Europe. In Japan, domestic demand appears to be the key to recovery; a concerted 1% expansion in all other OECD countries would add only 0.4% to Japanese GNP. (For Official Use Only)■

* * * *

RECENT COMMODITY PRICE DEVELOPMENTS

Prices of major agricultural commodities have made sharp gains since 1 July on the strength of Soviet buying and deteriorating crop prospects. Relatively small carryover stocks of grain in the United States will make for a nervous market until firm estimates of US and Soviet harvests become available. In sharp contrast, world prices for industrial raw materials have remained relatively stable for the past eight months.*

Grains and Soybeans

Grain and soybean prices continued their downward trend through May and June, primarily influenced by expectations of worldwide record wheat and corn

* See charts in *Economic Indicators* annex.

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crops and a sizable boost in soybean production. Prices of all three commodities, after hitting their lows on or about 1 July, rebounded as rumors spread of the USSR drought and as Soviet buying of wheat, corn, and barley was confirmed.

By mid-July the lack of rainfall in the western US corn belt caused increasing concern about the crop and added strength to the market. Private estimates put the crop in the range of 5.7 to 5.8 billion bushels, down from the earlier USDA 6.05 billion bushel estimate.

Prices of all three commodities moved upward in concert during July, hitting their highs (wheat $3.97, corn $3.19, soybeans $6.23) during the last days of the month. Rains in the US corn belt, combined with the absence of new Russian initiatives, caused prices to weaken slightly in the early days of August.

The 11 August USDA crop report (conditions as of 1 August) estimated corn production at 5.85 billion bushels, at the high end of the trade's expectations. Initial reaction to this estimate – along with the USDA-announced freeze on further sales to the USSR and additional rainfall in the US corn belt – caused prices to soften further. Prices then stiffened when the USDA subsequently increased its export projections for 1975/76.

Sugar

Owing to slack demand and favorable 1975/76 crop prospects, sugar prices eased from 20 cents per pound in early May to 12-13 cents per pound in mid-June. Subsequently, increased buying by the United States, rumored large purchases by the USSR, and indications of drought in beet growing areas in the USSR and Europe pushed prices back up toward 20 cents per pound. Information early this week suggests that the damage to both the Soviet and European crops is less than feared.

Coffee and Cocoa

The 16-18 July frost in Brazil has caused coffee prices to climb dramatically. Prices for the Central American Milds, which ranged from 47 to 55 cents per pound through May and June, now stand at 86 to 88 cents per pound. Coffee supplies have been further squeezed as a result of political turmoil in Angola, one of the world's top five coffee producers. Foreign trade is almost at a standstill as strikes and fighting continue to disrupt exports from major Angolan ports.

Cocoa prices were fairly steady around 60 cents per pound in May and June. The advance in prices begun in mid-July, though erratic, carried prices to 78 cents per pound by mid-August. Much of this move was psychologically tied to the bull moves in sugar, coffee, and other agricultural commodities.

Industrial Fibers

Prices of industrial fibers including cotton, wool, jute, and sisal rose by 3% for the year, according to *The Economist* industrial raw material index. The rise reflects the increase in cotton prices and a small rise in wool, which more than offset a sharp decline in jute and sisal. After being stable for several months, cotton prices have moved up recently because of dimmer crop prospects and higher demand estimates. Prices last week hit 50 cents per pound, up from 43 to 44 cents per pound in early June. The 11 August USDA crop report estimates cotton production at 9.4 million bales, down from 11.5 million last year. World cotton production is now projected to be off 6%-7% from the 1974/75 high of 62.9 million bales. Increased foreign demand in 1975/76 is expected to cause a drawdown in stocks accumulated in last year's depressed market.

Metals

The metals portion of *The Economist* industrial raw material index has fallen 5% since the start of 1975, the result mainly of a 29% drop in the price of lead and a 12% decline in tin prices. Since May, dollar prices of copper, tin, lead, and zinc on the London Metal Exchange (LME) have remained stable despite continuing weak demand and extraordinary stock accumulation. The small upward movement in prices last week seems to be largely speculative. (Unclassified) ■

* * * *

LIBYA: BRIGHTER FINANCIAL OUTLOOK

President Qadhafi, who thought he could dictate terms to the international oil market, has done an about-face, cut prices, and seen production come back strongly. As a result, Libya's financial outlook has markedly improved and will be further brightened by the October price hike.

Price Imbalance Corrected

The spread between Libyan crude and benchmark Persian Gulf crude got out of line in 1974, reducing Tripoli's competitive position in world markets. The premium commanded by Libyan crude – attributable to its lower sulfur content and higher gravity, together with its closeness to markets – had increased sharply during the embargo. The spread in prices became untenable when (a) freight charges from the Persian Gulf declined and (b) relaxed environmental standards and increased availability of desulfurization facilities lowered the value of low sulfur oil.

By November 1974, Libyan output was less than half of the January 1974 level of 2 million b/d and foreign receipts dipped below expenditures. Rather than cut imports, Tripoli drew down its foreign exchange reserves. By June 1975, reserves had dwindled to $2.5 billion, from $3.9 billion eight months earlier.

Disturbed by the mounting foreign deficits, the Libyans tried various schemes to raise oil sales. They offered extended credit terms and barter agreements. Oil companies were alternately threatened with nationalization and enticed with promised price concessions. Success came, however, only with the reduction in the premium for Libyan oil. Price cuts since January 1975 have lowered per barrel receipts by 80 cents, to $10.15. The last and largest reduction – 50 cents, effective 1 June – more than restored the competitiveness of Libyan crude. Sales responded dramatically, with July's output of 2.0 million b/d doubling the February low of 900,000 b/d. We expect August and September production to fall back somewhat as Tripoli responds to complaints by other OPEC members.

Financial Position Restored

Higher production and anticipated OPEC price hikes will bring Libya's foreign account back into the black in the last part of 1975. Assuming a $1.50 increase in price and an average 2 million b/d production for the remainder of the year, Libya will earn about $6.4 billion from oil sales in 1975. Because of the lag between shipment of oil and receipt of earnings, it will actually receive only about $5.7 billion. Income from foreign investment will add another $0.3 billion.

Foreign expenditures in 1975 will probably reach $6.5 billion – 15% more than in 1974. Imports are likely to reach $4.8 billion, 55% over 1974, and net service payments another $1.2 billion. Financing requirements for the country's small aid and investment program and oil company compensation payments will be about $0.5 billion.

Libya: Balance of Payments

	1974	Projected 1975
		Billion US $
Current account balance	2.6	0.5
Trade balance	3.9	1.7
Exports	7.0	6.5
Oil	6.9	6.4
Non-oil	0.1	0.1
Imports	3.1	4.8
Net services and private transfers	-1.1	-1.2
Freight and insurance	-0.4	-0.6
Investment income	0.2	0.3
Profit repatriation	-0.1	-0.1
Other services	-0.8	-0.8
Grant assistance (net)	-0.2	Negl.
Capital account balance	-1.1	-1.1
Change in accrued oil earnings	0.2	-0.7
Concessionary loans	Negl.	-0.3
Debt repayment and import prepayments	-0.2	Negl.
Nationalization compensation	-0.2	-0.1
Loan receipts	0.1	0.1
Net private investment/errors and omissions	-1.0	0.4
Change in official foreign reserves	1.5	-0.6

In sum, Libya will experience an overall 1975 deficit of approximately $0.6 billion. Because foreign reserves have already dropped $1.3 billion in the first half of 1975, we anticipate a recouping of about $0.7 billion in reserves during the second half of the year. (Confidential)

* * * *

IRAN: FOREIGN BORROWING IN PERSPECTIVE

Tehran, contrary to recent press reports, does not have a balance-of-payments problem requiring foreign borrowing. We expect Iran to run a $9 billion current account surplus in 1975. Iranian officials have been downplaying their country's financial strength, to fend off aid requests and to justify higher oil prices.

Borrowing Abroad

Despite press reports, Tehran is not negotiating any large loans from abroad. Last week's press reference to a $100 million loan resulted from inaccurate identification of the borrower – the privately owned Industrial and Mining Development Bank of Iran (IMDBI).

This is not to deny that individual private firms and public sector corporations will borrow in the months ahead to help finance Iran's dynamic economic growth. Actual foreign borrowing will probably be less than $1 billion in 1975. A major potential borrower is the National Petrochemicals Company, which may ultimately float bonds for $600 million on international capital markets.

Strong Balance of Payments

Iran's balance-of-payment prospects remain highly favorable. Foreign reserves have reached $10 billion and may well increase another $2 billion by yearend. Oil exports are expected to total $20 billion, helped by improved oil sales in the last six months of the year and the expected October price hike. For the year, these oil earnings, plus nearly $2 billion in non-oil exports and investment income, will exceed the outlays for imports and net services, yielding a current surplus of nearly $9 billion.

Iran: Current Account Balance

Billion US $

	1974	1975
Current account balance	13.4	8.7
Trade balance	14.8	10.1
Exports	22.0	20.9
Oil	21.3	20.2
Non-oil	0.7	0.7
Imports	7.2	10.8
Net services and private transfers	-1.4	-1.4
Freight and insurance	-0.9	-1.3
Investment income	0.4	1.2
Profit repatriation	-0.1	-0.1
Other services	-0.9	-1.2

Expected net capital account outflow of $4.4 billion during the year will erase about half of the current account surplus, leaving Iran with a hefty $4.3

billion addition to reserves. Principal outflows include projected concessionary loans of $0.6 billion, debt repayments of $0.4 billion, and long-term investments of $1.7 billion. (Confidential No Foreign Dissem)

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INDONESIA: ECONOMIC OUTLOOK IMPROVED

The worst of Indonesia's trade and financial problems have passed and second half 1975 promises steady improvement. Real growth for this year is now estimated at 7%-8%. Oil earnings should permit this rate to be sustained well into the late 1970s.

Trade Situation

Most of the recent improvement in the Indonesian payments position derives from higher oil export earnings. After languishing at 70% of capacity for several months, output turned up at midyear as the United States and Japan began to rebuild stocks. The high profit margins allowed the companies by Jakarta should insure a progressive increase in production through yearend.

The recent pickup in sales, higher average prices, and tax revisions favoring the government will permit Jakarta to exceed last year's oil export earnings. Non-oil earnings will decline by an estimated 20% because of soft demand for Indonesian raw materials. Imports, which had been soaring since early 1974, are expected to decline in the second half of 1975. Jakarta last month put a temporary ban on foreign purchases of rice, wheat, sugar, and fertilizer.

Restructured Finances

Jakarta has overcome the financial crisis caused by the default of the state oil company (Pertamina) on a small loan earlier this year. It has stepped in as Pertamina's guarantor and covered the immediate payments due on the enormous debt owed by the company – $1.5 billion in short-term loans and $1.6 billion in long-term loans. Private foreign banks have advanced $575 million, enabling a rescheduling of some debt payments. Later this year, the government is expected to call on private foreign banks for an additional $400 million.

At the same time, Jakarta continues to attract large-scale foreign support for its development projects. [redacted]

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Domestic Economy

Despite world recession, the Indonesian economy should fare well this year. Agricultural output will be buoyed by an excellent rice harvest. The slowdown in Pertamina's non-oil projects will put only a minor damper on the tempo of construction. Inflation abated substantially in the first six months of 1975, compared with the 40% in 1974. Government ability to intervene in the market with huge rice and fertilizer stocks should contain price rises in the remainder of 1975. (Confidential)

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OPEC COUNTRIES: CONGESTED PORTS

The long unloading delays that began last year at several key ports of Middle Eastern and African members of OPEC are continuing. Ships are now waiting 160 days at Apapa in Nigeria (the most seriously congested), 60-90 days at Bandar Shahpur and Khorramshahr in Iran, and up to a month or more elsewhere.

Because of these delays, shipowners have found it extremely difficult to maintain shipping schedules and are drastically increasing shipping charges. Demurrage fees and freight surcharges payable to the shipowners for delays at congested ports are increasing import costs to most OPEC nations by as much as 10%. Costs are further increased when uncrated cargo is left exposed to the elements for lack of storage facilities or transport to final destination. In some cases, the cost of storage at the port is lower than elsewhere, encouraging still further backups.

Antiquated port facilities, inefficient cargo handling, and bureaucratic mismanagement and corruption have traditionally hampered port operations. The recent lengthening of delays is the result of the massive increase in imports since the quadrupling of oil prices. The projected volume of OPEC imports in 1975 is almost double the 1973 volume.

Government efforts to reduce these delays have been short term in nature and have had little impact. Iran, for example, mobilized several thousand trucks with some success in an attempt to clear its ports last November. Shortly afterwards, the congestion returned and indeed worsened when all but 300 of the trucks were diverted to other uses.

Only the building of more berthing space would bring substantial relief. Many Middle East and African OPEC countries have initiated such expansion projects; most will take several years to complete. Even when berthing facilities are expanded, efficient and smooth running operations will not be possible without improvements in port management, upgrading of the work force, larger storage areas, and the acquisition of advanced cargo handling equipment. (Secret No Foreign Dissem [redacted]

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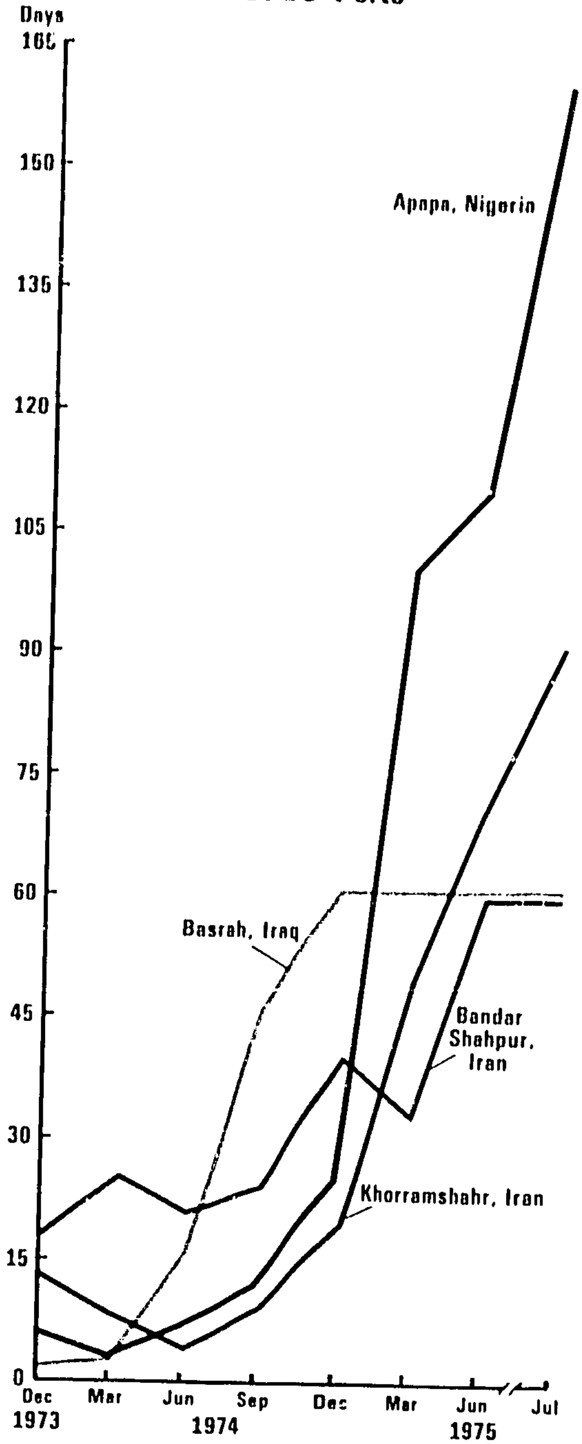
Congestion at Middle East and African OPEC Ports



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Notes

US-Soviet Trade: Widening Soviet Deficit

Department of Commerce statistics for the whole first half of 1975 show a continuation of the first quarter trend of increased US exports to the USSR and declining US imports of Soviet goods. Grain sales are leading the rise in US exports and will further climb in the second half when deliveries start on the new round of grain purchases. Oil seems the most likely candidate for any increase in imports of Soviet products in the second half. Even if imports should revive enough to reach the 1974 level, the Soviet trade deficit with the United States for 1975 is likely to approach $1 billion. (Unclassified)

US-Soviet Trade

Million US $

	Year		First Half	
	1973	1974	1974	1975
US Exports	**1,187**	**612**	**316**	**521**
Grain	837	282	168	246
Machinery and equipment	204	225	102	148
Chemicals	17	28	11	26
Iron and steel	14	8	6	6
Woodpulp	3	5	1	8
Other	112	64	28	87
US Imports	**214**	**350**	**188**	**134**
Oil and oil products	76	106	67	45
Platinum group metals	75	134	83	40
Diamonds and other precious stones	17	12	6	4
Chrome ore	6	9	3	12
Nickel	11	40	7	12
Other	29	49	22	21

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[redacted]

Publications of Interest*

China's Offshore Oi ploration
(ER RP 75-23, August 1975, Secret No Foreign Dissem)

This paper describes how Peking plans to accelerate development of its offshore petroleum resources. It reviews recent purchases of offshore drilling equipment, such as the purchase of four offshore jack-up drilling rigs from Singapore, and negotiations for as many as six German deepwater, semisubmersible drilling rigs Despite these efforts, large-scale production will be delayed for several years by the current worldwide equipment shortage.

People's Republic of China: Chemical Fertilizer Supplies, 1949-74
(A(ER) 75-70, August 1975, Unclassified)

This study surveys the current and prospective supply of chemical fertilizer in China and reviews production techniques, resources, and development policy. It estimates that domestic production will increase from 25 million tons in 1974 to 65 million tons in 1980. Notes on the methodology used to make the estimates are presented in the appendixes.

* Copies of these publications may be ordered by calling [redacted] Code 143, Extension 7234. 25X1A

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ECONOMIC INDICATORS

Prepared by

The Office of Economic Research

August 20, 1975

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Foreword

The *Economic Indicators* provide up-to-date information on changes in the domestic and external economic activities of the major non-Communist developed countries. To the extent possible, the *Economic Indicators* are updated from press ticker and Embassy reporting, so that the results are made available to the reader weeks - or sometimes months - before receipt of official statistical publications.

Comments and queries regarding the *Economic Indicators* are welcomed. They may be directed to [redacted] the Office of Economic Research, Code 143, Extension 7402 or 351-7402. 25X1A

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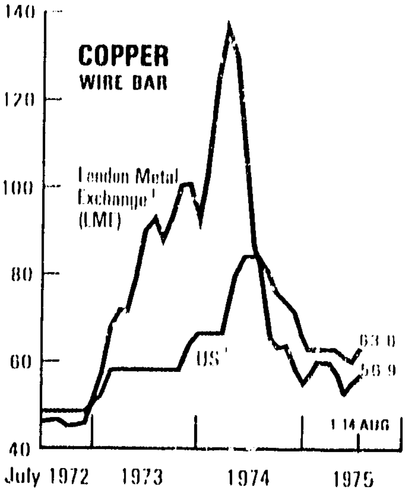
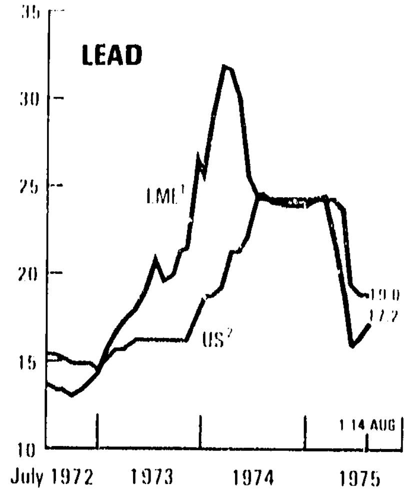
INDUSTRIAL MATERIALS PRICES Monthly Average Cash Price



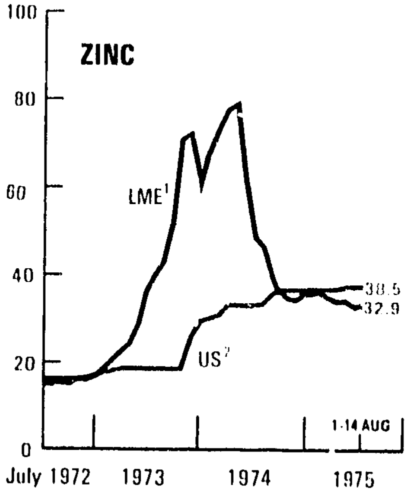
¢ Per Pound

	LME	US
14 Aug	58.0	63.0
7 Aug	58.0	63.6
Jul 75	55.6	61.0
Aug 74	81.7	85.6



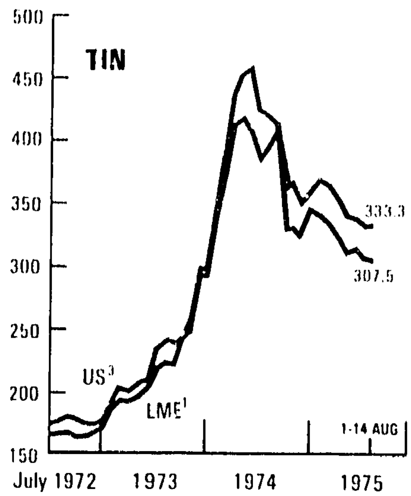
¢ Per Pound

	LME	US
14 Aug	18.1	19.0
7 Aug	17.1	19.6
Jul 75	16.4	19.0
Aug 74	24.9	24.5



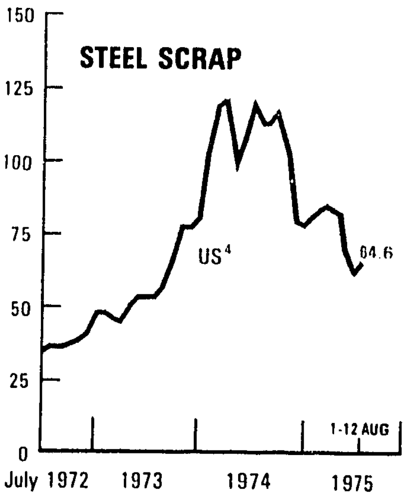
¢ Per Pound

	LME	US
14 Aug	34.4	38.5
7 Aug	32.9	38.5
Jul 75	32.0	38.5
Aug 74	47.8	35.0



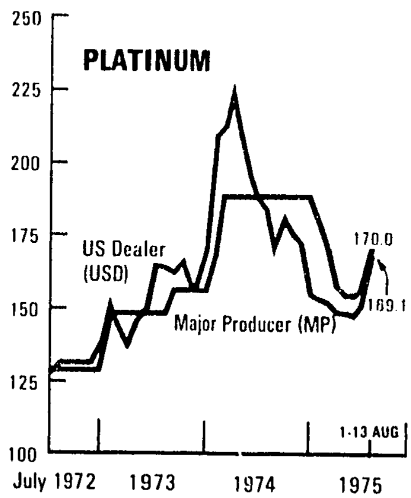
¢ Per Pound

	LME	US
14 Aug	309.9	336.2
7 Aug	309.5	333.5
Jul 75	308.1	333.3
Aug 74	398.0	423.0



$ Per Long Ton

	US
12 Aug	68.00
7 Aug	65.17
Jul 75	59.40
Aug 74	114.60



$ Per Troy Ounce

	MP	USD
13 Aug	170.0	169.5
7 Aug	170.0	169.5
Jul 75	157.7	158.0
Aug 74	190.0	185.3

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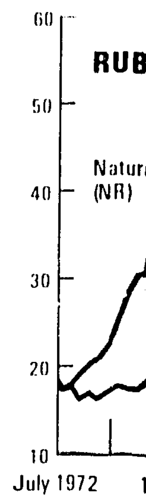
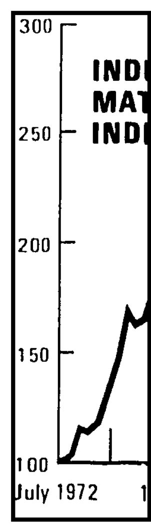
Aluminum
Steel Com
Iron Ore
Chrome O
Chrome O
Ferrochro
Nickel M
Mangane
Tungsten
Mercury
Silver LM





[1] Approximates world market price frequently used by major world producers and traders, although only small quantities of these metals are actually traded on the LME.
[2] Producers' price, covers most primary metals sold in the United States.
[3] Quoted on New York market.
[4] Composite price for Chicago, Philadelphia, and Pittsburgh.
[5] S-[illegible] export price

PRICES Monthly Average Cash Price

¢ Per Pound

	LME	US
14 Aug	58.0	63.6
7 Aug	58.0	63.6
Jul 75	55.6	61.0
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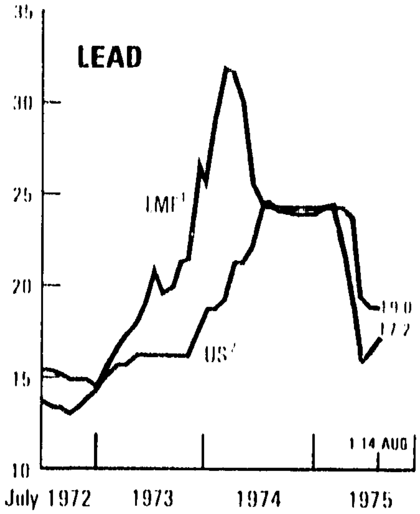


¢ Per Pound

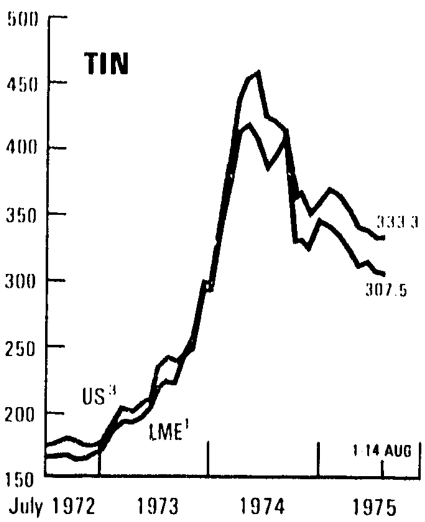
	LME	US
14 Aug	18.1	19.0
7 Aug	17.1	19.0
Jul 75	16.4	19.0
Aug 74	24.9	24.5

SELECTED MATERIALS

	Current	Feb 75	Jan 74	Jan 73
Aluminum Major US Prod., ¢/lb	39.00	39.00	29.00	25.00
Steel Composite, $/LT	289.23	289.83	212.13	209.88
Iron Ore Non Bessemer Old Range $/LT	18.75	17.53	12.16	11.98
Chrome Ore Russian $/MT	135.00	135.00	38.00	45.75
Chrome Ore S. Afica, $/LT	73.00	57.50	33.50	25.50
Ferrochrome US Charge ¢/lb	53.50	52.50	22.50	20.00
Nickel Major US Prod. Cathode, $/lb	2.01	2.01	1.82	1.53
Manganese Ore 48% Mn, $/LT	67.20	67.20	52.80	31.40
Tungsten Ore 65% WO_3 $/ST	5,117.81	5,980.58	2,872.40	2,241.20
Mercury NY, $/76lb Flask	140.00	228.40	275.54	282.50
Silver LME cash ¢/Troy Oz	523.90	440.69	300.29	200.15

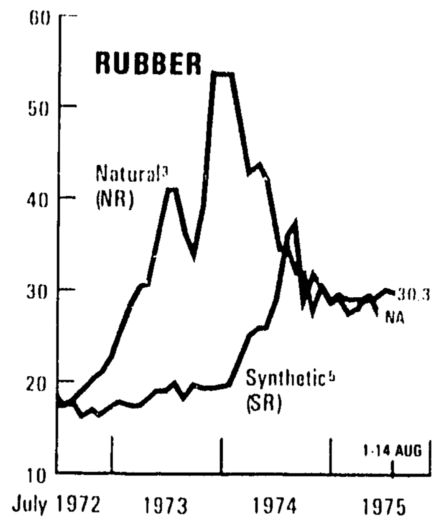
¢ Per Pound

	LME	US
14 Aug	34.4	38.5
7 Aug	32.9	38.5
Jul 75	32.0	38.5
Aug 74	47.8	35.0



¢ Per Pound

	LME	US
14 Aug	309.9	336.2
7 Aug	309.5	333.5
Jul 75	308.1	333.3
Aug 74	398.0	423.0

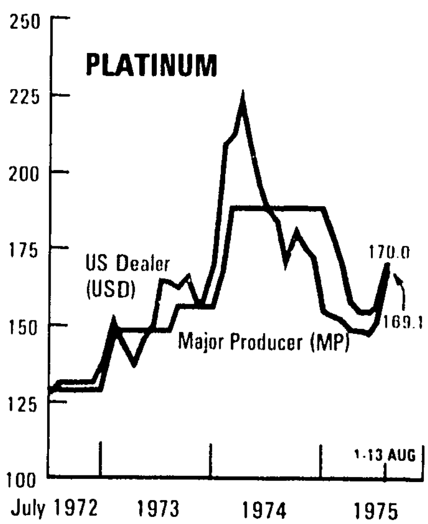


¢ Per Pound

	NR	SR
14 Aug	31.2	NA
7 Aug	30.0	NA
Jul 75	30.8	NA
Aug 74	34.8	30.5

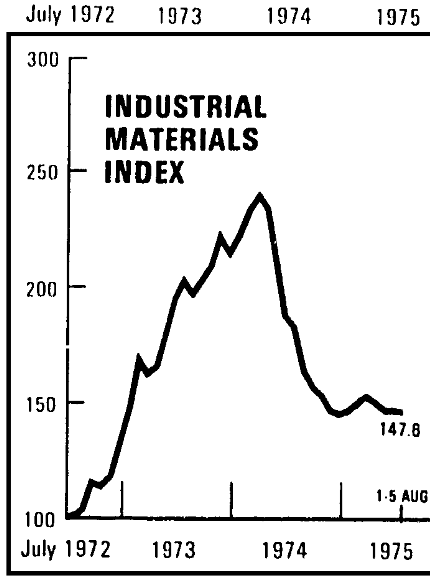
$ Per Long Ton

	US
12 Aug	68.00
7 Aug	65.17
Jul 75	59.40
Aug 74	114.60



$ Per Troy Ounce

	MP	USD
13 Aug	170.0	169.5
7 Aug	170.0	169.5
Jul 75	157.7	158.0
Aug 74	190.0	185.3



1970 = 100

This is an index compiled by the Economist for 19 raw materials which enter international trade. Commodities are weighted by 3-year moving averages of imports into industrialized countries.

world producers and traders.
traded on the LME.
ited States.
go, Philadelphia, and Pittsburgh.

20 AUGUST 1975
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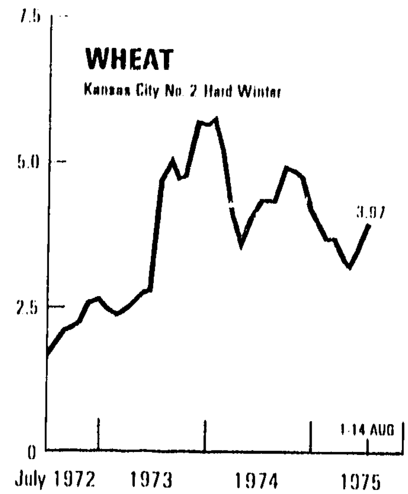
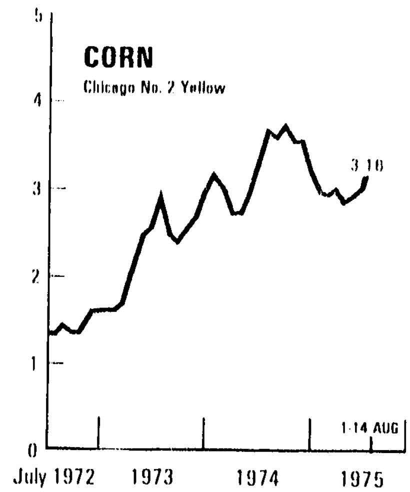
AGRICULTURAL PRICES Monthly Average Cash Price



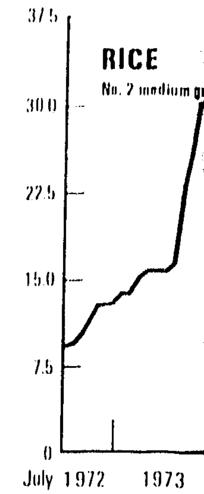
$ Per Bushel

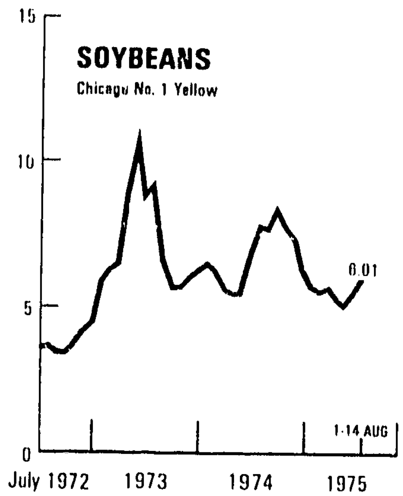
14 Aug	4.10
7 Aug	4.00
Jul 75	3.02
Aug 74	4.34



$ Per Bushel

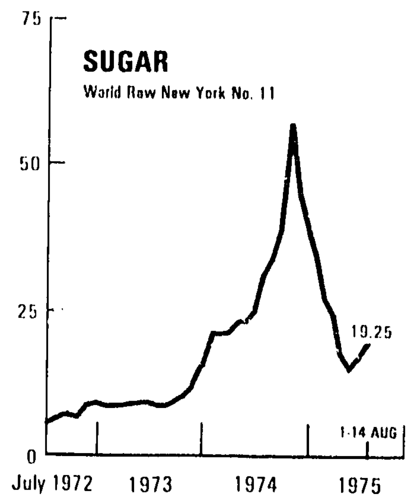
14 Aug	3.23
7 Aug	3.23
Jul 75	3.02
Aug 74	3.03





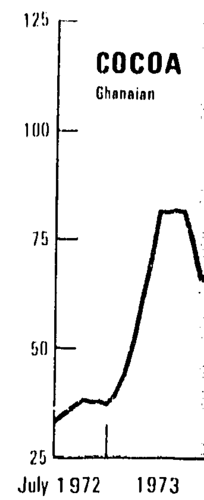
$ Per Bushel

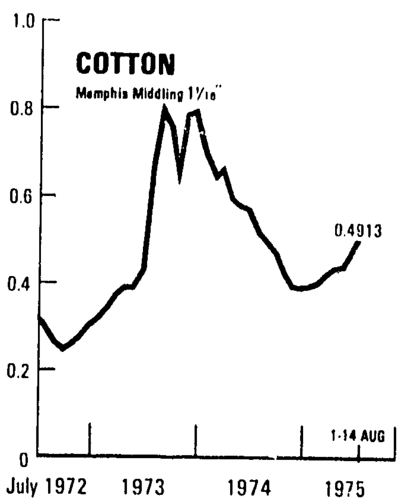
14 Aug	6.04
7 Aug	6.25
Jul 75	5.58
Aug 74	7.69



¢ Per Pound

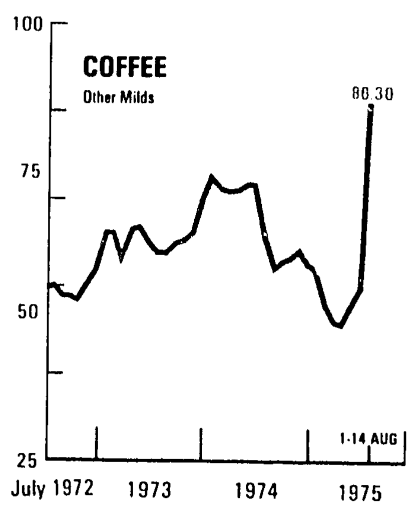
14 Aug	20.75
7 Aug	19.00
Jul 75	17.07
Aug 74	31.70





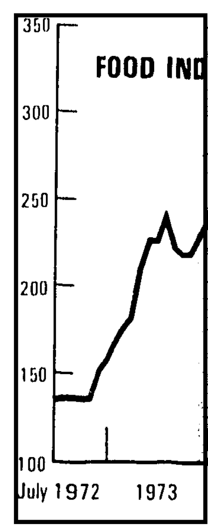
$ Per Pound

14 Aug	0.5005
7 Aug	0.4915
Jul 75	0.4749
Aug 74	0.5120



¢ Per Pound

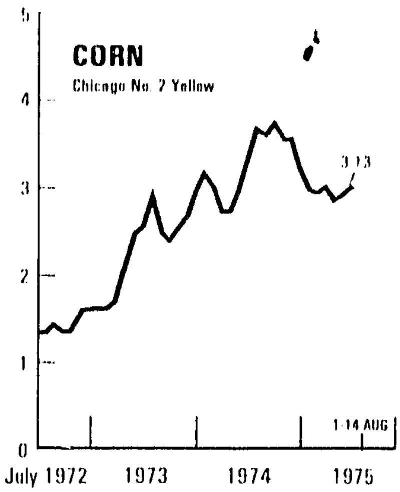
14 Aug	86.00
7 Aug	86.00
Jul 75	65.87
Aug 74	63.47



S Monthly Average Cash Price

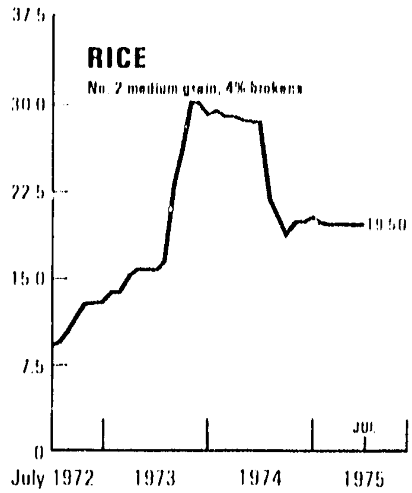
$ Per Bushel

14 Aug	4.19
7 Aug	4.00
Jul 75	3.62
Aug 74	4.34



$ Per Bushel

14 Aug	3.23
7 Aug	3.23
Jul 75	3.02
Aug 74	3.63

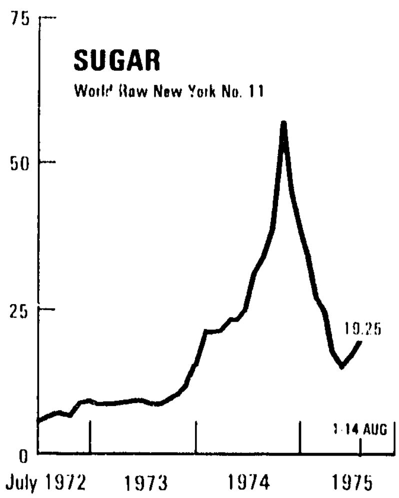


$ Per cwt.
f.o.b. mills, Houston, Tex

28 Jul	19.50
21 Jul	19.50
Jul 75	19.50
Aug 74	22.00

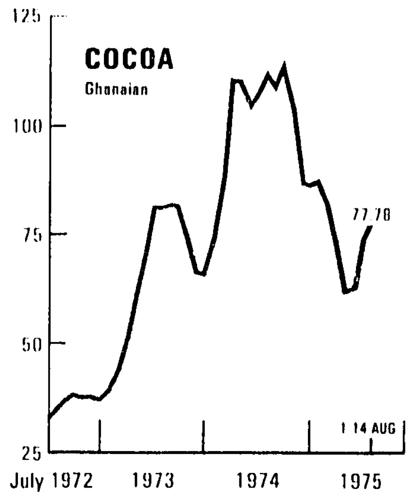
$ Per Bushel

14 Aug	6.04
7 Aug	6.25
Jul 75	5.58
Aug 74	7.69



¢ Per Pound

14 Aug	20.75
7 Aug	19.00
Jul 75	17.07
Aug 74	31.70

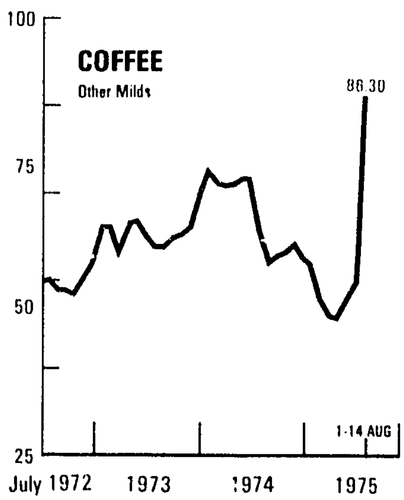


¢ Per Pound
New York price

14 Aug	81.50
7 Aug	77.00
Jul 75	74.43
Aug 74	111.90

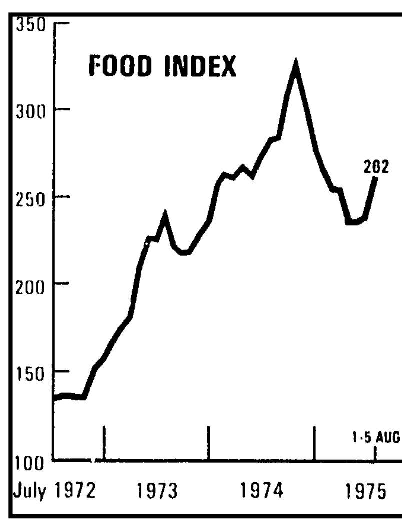
$ Per Pound

14 Aug	0.5005
7 Aug	0.4915
Jul 75	0.4749
Aug 74	0.5120



¢ Per Pound

14 Aug	86.00
7 Aug	86.00
Jul 75	65.87
Aug 74	63.47



1970 = 100

This is an index compiled by the Economist for 16 food commodities which enter international trade. Commodities are weighted by 3-year moving averages of imports into industrialized countries.

20 AUGUST 1975
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